JAN 1 7 2013

A BILL FOR AN ACT

RELATING TO EDUCATION.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

- 1 SECTION 1. In October 2010, the United States Department
- 2 of Education issued new regulations for programs authorized
- 3 under Title IV of the Higher Education Act of 1965, as amended,
- 4 to hold programs accountable for preparing students for gainful
- 5 employment, protect students from misleading recruiting
- 6 practices, ensure that only eligible students receive financial
- 7 aid, and strengthen federal student aid programs at for-profit,
- 8 non-profit, and public institutions. The regulations also
- 9 include requirements for state authorization of institutions
- 10 that offer educational programs beyond secondary education for
- 11 purposes of federal program eligibility.
- 12 The state post-secondary education commission, established
- 13 under section 304A-3151, Hawaii Revised Statutes, qualifies the
- 14 State to receive funds made available under the Higher Education
- 15 Act of 1965, as amended, and may serve as the state agency for
- 16 the receipt of federal funds when necessary. However, the
- 17 commission does not authorize institutions to operate
- 18 educational programs beyond secondary education, as may be 2013-0446 SB SMA-1.doc



- 1 required under new federal regulations. Further, the commission
- 2 is established under the University of Hawaii for administrative
- 3 purposes. The legislature finds that reconstituting the post-
- 4 secondary commission and placing it under the department of
- 5 commerce and consumer affairs will result in an entity that is
- 6 more broadly representative of post-secondary education in the
- 7 State and more appropriate to serve as the authorizing state
- 8 agency for the diverse institutions that operate educational
- 9 programs beyond secondary education.
- 10 The State was unable to satisfy all of the requirements of
- 11 the Higher Education Act of 1965, as amended, relating to state
- 12 authorization by the deadline. However, the United States
- 13 Department of Education provided the opportunity for states and
- 14 institutions to receive an extension for certain regulations.
- 15 In the meantime, it is the intent of the legislature to
- 16 proactively seek solutions by determining what actions and
- 17 changes are required for the State to come into compliance with
- 18 the new regulations.
- 19 The purpose of this Act is to bring Hawaii into compliance
- 20 with Title IV of the Higher Education Act of 1965, as amended,
- 21 by establishing the post-secondary education commission within
- 22 the department of commerce and consumer affairs and creating the



- 1 framework for authorizing private post-secondary educational
- 2 institutions in the State.
- 3 SECTION 2. The Hawaii Revised Statutes is amended by
- 4 adding a new chapter to be appropriately designated and to read
- 5 as follows:
- 6 "CHAPTER
- 7 POST-SECONDARY EDUCATION AUTHORIZATION
- 9 the context otherwise requires:
- 10 "Accredited" means holding an institutional accreditation
- 11 by name to offer post-secondary education as a United States-
- 12 based institution from an accrediting agency recognized by the
- 13 United States Department of Education.
- "Alternative enrollment" means the opportunity for a
- 15 student enrolled in a private college or university that ceases
- 16 operation to meet the student's educational objectives through
- 17 education provided by another authorized private college or
- 18 university, the University of Hawaii system, an area vocational
- 19 school, or any other educational arrangement acceptable to the
- 20 department and the commission.
- 21 "Authorization" means the authorization granted to a
- 22 private college, university, seminary, or religious training



- 1 institution by the commission as provided in this chapter and
- 2 any applicable rules and policies. Authorization is not an
- 3 endorsement by either the commission or the department.
- 4 "Commission" means the state post-secondary education
- 5 commission created pursuant to section -3.
- 6 "Degree" means a statement, diploma, certificate, or other
- 7 writing in any language that indicates or represents, or is
- 8 intended to indicate or represent, that the person named thereon
- 9 is learned in or has satisfactorily completed a prescribed
- 10 course of study in a particular field of endeavor or that the
- 11 person named thereon has demonstrated proficiency in a field of
- 12 endeavor as a result of formal preparation or training.
- "Department" means the department of commerce and consumer
- 14 affairs.
- "Director" means the director of commerce and consumer
- 16 affairs.
- 17 "Enrollment agreement" means the contract prepared by a
- 18 private college, university, seminary, or religious training
- 19 institution that a student signs to indicate agreement to the
- 20 terms of admission, delivery of instruction, and monetary terms
- 21 as outlined in the private college, university, seminary, or
- 22 religious training institution's student handbook or catalog.

1	"Governing board" means the elected or appointed group of
2	persons that oversees and controls a private college,
3	university, seminary, or religious training institution.
4	"Home state" means the state where the institution holds
5	its principal accreditation.
6	"Honorary degree" means a statement, diploma, certificate,
7	or other writing in any language that indicates or represents,
8	or that is intended to indicate or represent, that the person
9	named thereon is learned in a field of public service or has
10	performed outstanding public service or that the person named
11	thereon has demonstrated proficiency in a field of endeavor
12	without having completed formal courses of instruction or study
13	or formal preparation or training.
14	"Out-of-state public institution" means an institution of
15	higher education that is established by a government entity in a
16	state other than Hawaii.
17	"Owner" means:
18	(1) An individual, if a private for-profit college or
19	university is structured as a sole proprietorship;
20	(2) Partners, if a private for-profit college or
21	university is structured as a partnership;

1	(3)	rienic	cis in a limited liability company, if a private
2		for-	profit college or university is structured as a
3		limi	ted liability company; and
4	(4)	Shar	eholders in a corporation that hold a controlling
5		inte	rest, if a private for-profit college or
6		univ	ersity is structured as a corporation.
7	"Phy	sical	presence" means having an established physical
8	location	withi	n the State and includes but is not limited to:
9	(1)	Havi	ng a physical location in the State where students
10		rece	ive synchronous or asynchronous instruction; and
11	(2)	Esta	blishing an administrative office in the State in
12		orde	r to:
13		(A)	Provide information to prospective students,
14			enrolling students, or the general public about
15			the institution;
16		(B)	Provide services to enrolled students;
17		(C)	Provide office space for instructional and non-
18			instructional staff; and
19		(D)	Maintain an institutional mailing address, street
20			address, or phone number in the State.
21	"Pri	vate	college or university" means a non-public post-
22	secondary	educ	ation institution having a physical presence in
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- 1 the State that enrolls the majority of its students in an
- 2 associate, baccalaureate, or postgraduate degree program. For
- 3 purposes of the requirements of this chapter, an out-of-state
- 4 public institution shall be considered as a private college or
- 5 university.
- 6 "Seminary" or "religious training institution" means a bona
- 7 fide religious post-secondary educational institution that has a
- 8 physical presence in the State that offers baccalaureate,
- 9 master's, or doctoral degrees or diplomas.
- 10 "Unaccredited post-secondary educational institution" means
- 11 a degree granting institution that is not accredited or a
- 12 candidate for accreditation by at least one accrediting agency
- 13 recognized by the United States Department of Education.
- "University of Hawaii system" means the post-secondary
- 15 educational institution, including all campuses and community
- 16 colleges, established and existing pursuant to article X,
- 17 section 5, of the Hawaii State Constitution and chapter 304A.
- 18 S -2 Applicability of this chapter; exceptions. (a)
- 19 This chapter shall apply to private colleges, universities,
- 20 seminaries, and religious training institutions.
- 21 (b) This chapter shall not apply to:
- 22 (1) The University of Hawaii system;

1	(2)	Filvace correges or universities, including
2		occupational or vocational schools, that enrolls its
3		students only at the certificate level in order to
4		engage in a profession or vocation that is regulated
5		under another chapter;
6	(3)	Schools or educational programs conducted by firms,
7		corporations, or persons for the training of their own
8		employees;
9	(4)	Apprentice or other training programs provided by
10		labor unions to labor members or union applicants for
11		membership;
12	(5)	Schools or educational programs that provide courses
13		of instruction that do not lead to the conferring of a
14		degree;
15	(6)	Schools or educational programs that offer seminars,
16		refresher courses, and programs of instruction
17		sponsored by professional, business, or farming
18		organizations or associations for their members or the
19		employees of their members;
20	(7)	Schools or educational programs that offer courses of
21		instruction conducted by public school complex areas;

1	(8)	Schools, courses of instruction, or courses of
2		training that are offered by a vendor or the purchaser
3		or prospective purchaser of the vendor's product when
4		the objective of the school or course is to enable the
5		purchaser or the purchaser's employees to gain the
6		skills and knowledge necessary to use the product;
7	(9)	Schools and educational programs conducted by
8		religious organizations solely for the religious
9		instruction of their members;
10	(10)	Non degree granting post-secondary educational
11		institutions licensed by the department of education
12		or the real estate commission; and
13	(11)	Unaccredited post-secondary educational institutions
14		governed by chapter 446E.
15	(c)	Any entity listed in subsection (b) may request
16	authoriza	tion pursuant to the provisions of this chapter through
17	a memoran	dum of agreement between the entity and the commission.
18	\$	-3 Establishment of the state post-secondary education
19	commissio	n; membership; administration. (a) There is
20	establish	ed a state post-secondary education commission. The
21	commissio	n shall be placed within the department for
22	administr	ative purposes.

- 1 (b) The commission shall consist of five members to be
- 2 appointed by the governor, without regard to sections 26-34 and
- 3 78-4; provided that the members shall be broadly and
- 4 equitability representative of the general public and public and
- 5 private nonprofit and for-profit institutions of post-secondary
- 6 education in the State.
- 7 (c) The chairperson of the commission shall be designated
- 8 by the members of the commission each year beginning on July 1,
- 9 and whenever there is a vacancy.
- 10 (d) Three members of the commission shall constitute a
- 11 quorum to do business and a concurrence of at least three
- 12 members shall be necessary to make any action of the commission
- 13 valid.
- (e) Commission members shall not serve more than three
- 15 consecutive three-year terms, not including the member's initial
- 16 term, with each term starting on July 1; provided that the
- 17 initial terms that commence after June 30, 2013, shall be
- 18 staggered as follows:
- 19 (1) Two members, including the chairperson, to serve
- 20 three-year terms;
- 21 (2) Two members to serve two-year terms; and
- 22 (3) One member to serve a one-year term.

- 1 (f) Notwithstanding the terms of the members, the governor
- 2 may fill vacancies on the commission at any time when a vacancy
- 3 occurs due to resignation, non-participation, the request of a
- 4 majority of the commission members, or termination by the
- 5 governor for cause.
- 6 (g) Commission members shall receive no compensation.
- 7 When commission duties require that a commission member take
- 8 leave of the member's duties as a state employee, the
- 9 appropriate state department shall allow the commission member
- 10 to be placed on administrative leave with pay and shall provide
- 11 substitutes, when necessary, to fulfill that member's
- 12 departmental duties. Members shall be reimbursed for necessary
- 13 travel expenses incurred in the conduct of official commission
- 14 business.
- 15 (h) The commission shall establish operating procedures
- 16 that shall include conflict of interest procedures for any
- 17 member whose school of employment or governing board is before
- 18 the commission.
- 19 (i) The commission shall operate with dedicated resources
- 20 and staff qualified to execute the day-to-day responsibilities
- 21 of the commission pursuant to this chapter.

1	\$	-4 Commission's powers and authority. (a) The
2	commissio	n shall:
3	(1)	Establish procedures for the authorization,
4.		reauthorization, and revocation of the authorization
5		of private colleges, universities, seminaries, and
6		religious training institutions in accordance with the
7		provisions of this chapter, including but not limited
8		to procedures by which an institution may apply for
9		authorization or reauthorization and the procedures
10		the department shall follow in reviewing applications
11		for authorization and making recommendations to the
12		commission;
13	(2)	Grant or deny authorizations and reauthorizations, and
14		revoke authorizations pursuant to sections -7,
15		-8, -9, and -10, as applicable, and the
16		recommendation of the department;
17	(3)	Establish the types and amounts of fees that a private
18		college, university, seminary, or religious training
19		institution shall pay pursuant to section -17;
20	(4)	Establish policies to require private colleges,
21		universities, seminaries, and religious training
22		institutions to submit to the department, upon

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1	request, data that is directly related to student
2	enrollment and degree completion and, if applicable,
3	student financial aid and educator preparation
4	programs; and

- (5) Enter into any post-secondary education authorization reciprocity agreement with other post-secondary educational authorizers of schools whose home state is not Hawaii; provided that the authorization standards of the reciprocity agreement shall be comparable to or exceed the authorization requirements of this chapter and applicable administrative rules.
- 12 (b) The commission may cooperate with the federal 13 government to qualify the State to receive funds made available 14 under the Higher Education Act of 1965, P.L. 89-329, as amended 15 from time to time, and in addition may serve as the state agency 16 for the receipt of federal funds when federal legislation 17 dealing with higher education or post-secondary education 18 requires, as a condition of the receipt of such funds, the 19 designation of a state agency that is broadly representative of 20 the general public and of post-secondary education in the State 21 and when agencies other than the commission may not qualify.

1	(c) No funds appropriated by the legislature may be used
2	to aid a person attending an institution not owned or
3	exclusively controlled by the State or a department of the State
4	or to pay for any staff work distributing federal or private
5	funds to students attending such schools. The maximum amount of
6	any grant awarded under the Hawaii state incentive grant program
7	shall be equal to the maximum allowed by federal law.
8	(d) The commission, when appropriate and necessary, may be
9	assisted by other state agencies, including but not limited to
10	the University of Hawaii system and the department of education
11	§ -5 Department's powers and authority. (a) The
12	department shall administer the provisions of this chapter and
13	any administrative rules, policies, and procedures adopted by
14	the commission.
15	(b) To administer this chapter, the department shall have
16	but shall not be limited to the following duties:
17	(1) Making recommendations as to whether or not the
18	commission should grant private colleges,
19	universities, seminaries, and religious training
20	institutions authorization to operate in the State;
21	(2) Maintaining a list of the private colleges,

universities, seminaries, and religious training

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institutions that have authorizations on file with the
department; and
(3) Appropriately acting on a complaint, concern, or
violation concerning a private college, university,
seminary, or religious training institution.
§ -6 Awarding degrees. Notwithstanding any law to the
contrary, a person, partnership, corporation, company, society,
or association doing business in the State shall not award,
bestow, confer, give, grant, convey, or sell to any other person
a degree or honorary degree upon which is inscribed, in any
language, the word "associate", "bachelor", "baccalaureate",
"master", or "doctor", or any abbreviation thereof, or offer
courses of instruction or credits purporting to lead to any such
degree, unless the person, partnership, corporation, company,
society, or association is:
(1) A private college, university, seminary, or religious
training institution that is authorized pursuant to
this chapter; or
(2) A part of the University of Hawaii system.
§ -7 Authorization to operate in the State; private
college or university. (a) To operate in the State, a private
college or university shall apply for, on a form prescribed by

- 1 the department, and receive authorization from the commission;
- 2 provided that a private college or university shall apply for
- 3 and obtain a separate authorization for each campus, branch, or
- 4 site that is separately accredited. A private, nonprofit
- 5 college or university shall submit verification of its nonprofit
- 6 status with its application.
- 7 (b) Upon receiving an application for authorization, the
- 8 department shall review the application to determine whether the
- 9 private college or university is institutionally accredited by a
- 10 regional or national accrediting body recognized by the United
- 11 States Department of Education. The department shall not
- 12 recommend, and the commission shall not approve, an application
- 13 from a private college or university that, in the two years
- 14 preceding submission of the application, has:
- 15 (1) Had its accreditation suspended or withdrawn;
- 16 (2) Been prohibited from operating in another state; or
- 17 (3) Substantially the same owners, governing board, or
- principal officers as a private college or university
- 19 that has:
- 20 (A) Had its accreditation suspended or withdrawn; or
- 21 (B) Been prohibited from operating in another state.

1	(c) To operate in the State, a private college or
2	university shall be institutionally accredited on the basis of
3	an on-site review by a regional or national accrediting body
4	recognized by the United States Department of Education;
5	provided that a private college or university may operate for an
6	initial period of without accreditation if the
7	commission determines, in accordance with standards established
8	by the commission, that the private college or university is
9	likely to become accredited in a reasonable period of time or is
10	making progress toward accreditation in accordance with the
11	accrediting body's polices; provided further that the private
12	college or university shall annually renew its provisional
13	authorization and report annually to the commission concerning
14	the institution's progress in obtaining accreditation.
15	(d) A private college or university shall immediately
16	notify the department of any material information related to an
17	action by the institution's accrediting body concerning the
18	institution's accreditation status, including but not limited to
19	reaffirmation or loss of accreditation, approval of a request
20	for change, a campus evaluation visit, a focused visit, or
21	approval of additional locations. In addition, the institution
22	shall immediately notify the department if the institution's
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- 1 accrediting body is no longer recognized by the United States
- 2 Department of Education.
- 3 (e) A private college or university authorized pursuant to
- 4 this chapter shall pay any and all fees established pursuant to
- 5 section -17.
- 6 § -8 Authorization to operate in the State; seminary or
- 7 religious training institutions. (a) To operate in the State,
- 8 a seminary or religious institution shall apply for, on a form
- 9 prescribed by the department, and receive authorization from the
- 10 commission; provided that the institution shall establish that
- 11 it qualifies as a bona fide religious institution and as an
- 12 institution of post-secondary education.
- 13 (b) Nothing in this section shall preclude a seminary or
- 14 religious training institution from seeking accreditation.
- 15 § -9 Reauthorization. (a) A private college or
- 16 university that is authorized pursuant to section -7 and
- 17 maintains its accreditation shall apply to the department for
- 18 reauthorization in accordance with its schedule for
- 19 reaccreditation or every three years, whichever is longer. A
- 20 private college or university that has its accreditation
- 21 reaffirmed without sanction, continues to demonstrate its
- 22 continued compliance with section -13, and is not subject to

- 1 investigation pursuant to section -10, shall otherwise be
- 2 presumed to qualified for reauthorization under this chapter,
- 3 and the department shall recommend reauthorization for a period
- 4 of three years or the length of the private college or
- 5 university's accreditation, whichever is longer.
- 6 (b) A seminary or religious training institution
- 7 authorized pursuant to section -8 shall apply to the
- 8 department for reauthorization every three years. A seminary or
- 9 religious training institution that continues to meet the
- 10 minimum operating standards specified in this chapter and is not
- 11 subject to investigation pursuant to section -10, shall
- 12 otherwise be presumed to be qualified for reauthorization under
- 13 this chapter, and the department shall recommend reauthorization
- 14 for a period of three years.
- 15 (c) By June 30, 2014, the commission shall adopt policies
- 16 and procedures, without regard to chapter 91, for
- 17 reauthorization under this section.
- (d) Private colleges, universities, seminaries and
- 19 religious training institutions applying for reauthorization
- 20 under this section shall pay the fees required pursuant to
- **21** section -17.

- 1 If a private college, university, seminary, or
- 2 religious training institution cannot demonstrate that it meets
- 3 the minimum operating standards of this chapter, the department
- 4 shall recommend that the commission deny the application for
- 5 reauthorization. The department shall provide the private
- 6 college, university, seminary, or religious training institution
- with written notification of the denial of the application for
- 8 reauthorization and the basis for the denial. If, within six
- 9 months of receiving notice that its application for
- 10 reauthorization has been denied, the private college,
- 11 university, seminary, or religious training institution corrects
- 12 the action or condition upon which the denial was based, it may
- 13 reapply for reauthorization. If the private college,
- 14 university, seminary, or religious training institution does not
- correct the action or condition upon which the denial was based, 15
- 16 it may submit a new application for authorization pursuant to
- 17 section -8, whichever is applicable, once the action
- 18 or condition has been corrected.
- 19 If a private college or university is under a sanction
- 20 from its accrediting body at the time it submits its application
- 21 for reauthorization, the department may recommend that the
- 22 commission:



1	(1)	Appr	cove the private college or university's
2		reau	thorization; or
3	(2)	Gran	t the probationary approval of the private college
4		or u	niversity's reauthorization; provided that if the
5		priv	rate college or university is granted probationary
6		reau	thorization:
7		(A)	The department shall provide the private college
8			or university with written notice of its
9			probationary status;
10		(B)	The private college or university shall reapply
11			for reauthorization on an annual basis until the
12			accrediting body lifts its sanction; and
13		(C)	The private college or university shall provide
14			the commission with an annual report on its
15			progress in removing the sanction.
16	\$	-10	Revocation; probationary status. (a) The
17	commissio	n may	revoke a private college or university's
18	authoriza	tion	if the private college or university loses its
19	accredita	tion.	
20	(b)	The	commission may revoke a private college or
21	universit	y's a	uthorization or place a private college or
22	universit	y on	probationary status if:

1	(1)	The private correge or university rails to meet any or
2		the minimum standards set forth in this chapter or in
3		any administrative rules adopted pursuant to this
4		chapter;
5	(2)	The private college or university fails to
6		substantially comply with the applicable laws or rules
7		of any other state board or agency that has
8		jurisdiction over the private college or university;
9	(3)	The private college or university violates any
10		criminal law of this State, the federal government, or
11		any other state in which it operates; or
12	(4)	The United States Department of Education ceases to
13		recognize the private college or university's
14		accrediting body.
15	(c)	The commission may place a private college or
16	university	y on probationary status if the private college or

18 (d) The commission may revoke a seminary or religious
19 training institution's authorization or place the seminary or
20 religious institution on probationary status if the seminary or
21 religious institution:

university's accrediting body places it on probationary status.

1	(1)	No longer meets the definition of a seminary or
2		religious institution under this chapter;
3	(2)	Fails to meet any of the minimum standards set forth
4		in this chapter or in administrative rules adopted
5		pursuant to this chapter; or
6	(3)	Violates any criminal law of this State, the federal
7		government, or any other state in which it operates.
8	(e)	If the commission has reason to believe that a private
9	college,	university, seminary, or religious training institution
10	meets one	or more of the grounds specified in subsections (a)
11	through (d), as applicable, the commission may order the
12	departmen	t to investigate and make a recommendation concerning
13	whether t	o revoke its authorization or place it on probation.
14	(f)	To assist the department in conducting an
15	investiga	tion pursuant to subsection (e), the commission shall
16	have the	power to:
17	(1)	Subpoena any persons, books, records, or documents
18		pertaining to the investigation;
19	(2)	Require answers in writing, under oath, to any
20		questions from the commission or department; and
21	(3)	Administer an oath or affirmation to any person in
22		connection with the investigation.

1 In conducting an investigation, the department may 2 physically inspect the private college, university, seminary, or 3 religious training institution's facilities and records. 4 Upon the conclusion of any investigation pursuant to 5 subsections (e) and (f), the department shall make a 6 recommendation to the commission as to whether or not the 7 commission should revoke the private college, university, 8 seminary, or religious training institution's authorization or 9 place it on probation; provided that if the department 10 recommends revocation or probation, it shall identify the 11 applicable grounds for revocation or probation as specified in **12** subsections (a) through (d). 13 (h) If the commission revokes a private college, 14 university, seminary, or religious training institution's 15 authorization or places it on probationary status pursuant to this section, the commission shall accord the private college, 16 17 university, seminary, or religious training institution the 18 right to contest the decision pursuant to chapter 91. 19 -11 Deposit of records upon discontinuance. (a) If a private college, university, seminary, or religious training 20

institution ceases operating within the State, its owner or the

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- 1 owner's designee shall deposit with the department the original
- 2 or legible copies of all of its educational records.
- 3 (b) If the commission determines that the records of a
- 4 private college, university, seminary, or religious institution
- 5 that ceases operating within the State are in danger of being
- 6 destroyed, secreted, mislaid, or otherwise made unavailable to
- 7 the department, the commission may seek a court order
- 8 authorizing the department to seize or take possession of the
- 9 records.
- 10 (c) Upon the request of the commission, the department or
- 11 the attorney general may enforce the provisions of this section
- 12 by filing a request for an injunction with a court of competent
- 13 jurisdiction.
- 14 (d) The department shall permanently retain any student
- 15 transcripts received pursuant to this section. The department
- 16 shall retain any other records obtained pursuant to this section
- 17 for ten years; provided that after this period, the department
- 18 shall dispose of the records in a manner that will adequately
- 19 protect the privacy of any personal information included in the
- 20 records.
- 21 § -12 Authorized educational institutions;
- 22 responsibilities. (a) A private college, university, seminary,



1 or religious training institution that is authorized pursuant to 2 this chapter shall: 3 (1) Not make or cause to be made any oral, written, or 4 visual statement or representation that violates 5 section -16(h); Annually provide the department with a copy of its 6 (2) 7 enrollment agreement, if applicable; Provide bona fide instruction, in accordance with the 8 (3) 9 standards and criteria set by its accrediting body; 10 and 11 If its ownership changes, provide the department with (4)12 any material information concerning the transaction 13 within thirty days of the transaction. 14 If a private college, university, seminary, or (b) 15 religious training institution violates any of the requirements 16 of subsection (a), the department may recommend that it be 17 placed on probation or that its authorization be revoked. 18 -13 Financial integrity; surety bond. (a) A private 19 college or university shall provide evidence of financial

integrity at the time of its application for authorization.

private college or university may demonstrate financial

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1	integrity	by meeting the criteria specified in subsection (b) or
2	(c).	
3	(b)	A private college or university may demonstrate
4	financial	integrity if it:
5	(1)	Has been accredited for at least ten years by an
6		accrediting agency that is recognized by the United
7		States Department of Education;
8	(2)	Has operated continuously in the State for at least
9		ten years;
10	(3)	Has not filed for bankruptcy protection pursuant to
11 .		title 11 of the United States Code;
12	(4)	Maintains a composite score of at least 1.5 on its
13		equity, primary reserve, and net income ratios, as
14		required in title 34 Code of Federal Regulations
15		section 668.172; and
16	(5)	Meets or exceeds the pro rata refund policies required
17		by the United States Department of Education in title
18		34 Code of Federal Regulations section 668; provided
19		that if it does not participate in federal financial
20		aid programs, its refund and termination procedures
21		comply with the requirements of its accrediting body;

1	provided	that	a	nrivate	college	or	university	ie	not	required	to
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- 2 meet the criteria specified in paragraphs (1) and (2) if the
- 3 private college or university is part of a group of private
- 4 colleges or universities that is owned and operated by a common
- 5 owner and the other private colleges and universities meet the
- 6 specified criteria in paragraphs (1) and (2).
- 7 (c) A private college or university may demonstrate
- 8 financial integrity if it:
- 9 (1) Has received and maintains full accreditation without
- sanction from an accrediting body that is recognized
- by the United States Department of Education, and
- which accrediting body requires the private college or
- university to maintain a surety bond or an escrow
- 14 account or has affirmatively waived or otherwise
- 15 removed that requirement for the private college or
- 16 university;
- 17 (2) Has been continuously authorized by the commission for
- 18 at least five years;
- 19 (3) Owns and operates a permanent instructional facility
- in the State;
- 21 (4) Annually provides to the commission audited financial
- 22 statements for the most recent fiscal year that

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1	demonstrate	that	the	private	college	or	university
2	maintains po	ositiv	ze eo	muity and	d profita	abi '	litv:

- (5) Maintains a composite score of at least 1.5 on its equity, primary reserve, and net income ratios, as required in title 34 Code of Federal Regulations section 668.172; and
- (6) Meets or exceeds the pro rata refund policies required by the United States Department of Education in title 34 Code of Federal Regulations section 668; provided that if it does not participate in federal financial aid programs, its refund and termination procedures comply with the requirements of its accrediting body.
- 13 (d) If a private college or university cannot demonstrate 14 financial integrity as provided in subsections (b) and (c), the 15 private college or university shall file with the director a 16 surety bond in favor of the State in an amount calculated 17 pursuant to subsection (g) prior to receiving authorization 18 under this chapter. The surety bond shall be executed by the 19 private college or university as the principal and by a surety 20 company authorized to do business in the State.
- (e) The surety bond shall be conditioned to provide
 indemnification to any student or enrollee, to any parent or
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- 1 legal guardian of a student or enrollee, that the commission
- 2 finds to have suffered a loss of tuition or any fees as a result
- 3 of any act or practice that is a violation of this chapter and
- 4 to provide alternative enrollment as provided in section -14
- 5 for students enrolled in a private college or university that
- 6 ceases operation.
- 7 (f) The amount of the surety bond that a private college
- 8 or university submits pursuant to subsection (d) shall be the
- 9 greater of \$5,000 or an amount equal to a reasonable estimate of
- 10 the maximum prepaid, unearned tuition and fees of the private
- 11 college or university for the period or term during the
- 12 applicable academic year for which programs of instruction are
- 13 offered, including but not limited to programs offered on a
- 14 semester, quarter, monthly, or class basis; provided that the
- 15 private college or university shall use the period or term of
- 16 greatest duration and expense in determining this amount if its
- 17 academic year consists of one or more periods or terms.
- 18 Following the initial filing of the surety bond with the
- 19 department, the private college or university shall recalculate
- 20 the amount of the surety bond annually based on a reasonable
- 21 estimate of the maximum prepaid, unearned tuition and fees
- 22 received by the institution for the applicable period or term.



- 1 (g) The commission may disapprove a surety bond if it
- 2 finds that the surety bond is not sufficient to provide students
- 3 with indemnification and alternative enrollment as required by
- 4 this section.
- 5 (h) The authorization for a private college or university
- 6 shall be suspended by operation of law when it is no longer
- 7 covered by a surety bond as required by this section. The
- 8 department shall give written notice to the private college or
- 9 university at its last-known address, at least forty-five days
- 10 before the release of the surety bond, to the effect that the
- 11 private college or university's authorization is suspended by
- 12 operation of law until it files evidence of a surety bond in a
- 13 like amount as the surety bond being released.
- 14 (i) The principal on a surety bond filed under the
- 15 provisions of this section is released from the surety bond
- 16 after the principal serves written notice thereof to the
- 17 commission at least sixty days before the release. The release
- 18 does not discharge or otherwise affect a claim filed by a
- 19 student or enrollee or the student or enrollee's parent or legal
- 20 guardian pursuant to section -14 for loss of tuition or fees
- 21 that occurred while the surety bond was in effect or that
- 22 occurred under any note or contract executed during any period

- 1 of time when the surety bond was in effect, except when another
- 2 surety bond is filed in a like amount and provides
- 3 indemnification for any such loss.
- 4 (j) Each private college or university that files a surety
- 5 bond pursuant to this section shall provide annual verification
- 6 of continued coverage as required by this section in a report to
- 7 the commission no later than January 1 of each year.
- 8 (k) A seminary or religious training institution is not
- 9 subject to the requirements of this section.
- 10 § -14 Claims against a private college or university;
- 11 cessation of operation; alternative enrollment. (a) A student
- 12 or enrollee, or a parent or quardian of the student or enrollee,
- 13 who claims loss of tuition or fees may file a claim with the
- 14 commission if the claim results from an act or practice that
- 15 violates a provision of this chapter. The claims that are filed
- 16 with the commission shall be public records and subject to the
- 17 provisions of chapter 92F; provided that the department shall
- 18 not make the records public if the release would violate a
- 19 federal privacy law.
- 20 (b) Notwithstanding the provisions of subsection (a), the
- 21 commission shall not consider a claim that is filed more than

- 1 two years after the date the student discontinues enrollment
- 2 with the private college or university.
- 3 (c) If a private college or university ceases operation,
- 4 the commission may make demand on the surety bond upon the
- 5 demand for a refund by a student or the implementation of
- 6 alternate enrollment for the students enrolled in the
- 7 institution, and the principal on the surety bond shall pay the
- 8 claim due in a timely manner. To the extent practicable, the
- 9 commission shall use the amount of the surety bond to provide
- 10 alternate enrollment for students of the institution that ceases
- 11 operation through a contract with another authorized private
- 12 college or university, the University of Hawaii system, an area
- 13 vocational school, or any other arrangement that is acceptable
- 14 to the department. The alternate enrollment provided to a
- 15 student shall replace the original enrollment agreement, if any,
- 16 between the student and the private college or university;
- 17 provided that the student shall make the tuition and fee
- 18 payments as required by the original enrollment agreement, if
- 19 any.
- (d) A student who is enrolled in a private college or
- 21 university that ceases operation and who declines the alternate
- 22 enrollment required to be offered pursuant to subsection (c) may



- 1 file a claim with the commission for the student's prorated
- 2 share of the prepaid, unearned tuition and fees that the student
- 3 paid, subject to the limitations of subsection (e). The
- 4 commission shall not make a subsequent payment to a student
- 5 unless the student submits proof of satisfaction of any prior
- 6 debt to a financial institution in accordance with rules adopted
- 7 by the commission.
- **8** (e) If the amount of the surety bond is less than the
- 9 total prepaid, unearned tuition and fees that have been paid by
- 10 students at the time the private college or university ceases
- 11 operation, the department shall prorate the amount of the surety
- 12 bond among the students.
- 13 (f) The provisions of this section are applicable only to
- 14 those students enrolled in the private college or university at
- 15 the time it ceases operation, and once a private college or
- 16 university ceases operation, no new students shall be enrolled
- 17 therein.
- 18 (g) The commission shall be the trustee for all prepaid,
- 19 unearned tuition and fees, student loans, Pell grants, and other
- 20 student financial aid assistance if an authorized private
- 21 college or university ceases operation.

- 1 The commission shall determine whether offering (h) 2 alternate enrollment for students enrolled in an authorized 3 private college or university that ceases operation is 4 practicable without federal government designation of the 5 commission as trustee for student loans, Pell grants, and other 6 student financial aid assistance pursuant to subsection (q). 7 For claims made pursuant to this section that do not (i) 8 involve a private college or university that ceases operation, 9 the commission shall conduct a public hearing, without regard to 10 chapter 91, to determine whether there is loss of tuition or 11 fees, and if the commission finds that a claim is valid and due 12 the claimant, the commission shall make demand upon the surety 13 bond. If the principal on the surety bond fails or refuses to 14 pay the claim due, the commission shall commence an action on 15 the surety bond in a court of competent jurisdiction; provided 16 that the commission shall not file an action more than six years 17 after the date of the violation that gives rise to the right to 18 file a claim pursuant to this section.
- (j) If a private college or university that is exempt from
 the provisions of, or that demonstrates financial integrity
 pursuant to, section -13, ceases to operate in the State, the
 attorney general may file a claim against the private college or



- 1 university on behalf of students enrolled in the private college
- 2 or university at the time it ceases operation to recover any
- 3 amount of unearned, prepaid tuition that may be owed to the
- 4 students.
- 5 (k) A seminary or religious training institution is not
- 6 subject to the requirements of this section.
- 7 § -15 Reciprocity. The commission may enter into any
- 8 post-secondary education authorization reciprocity agreement;
- 9 provided that the authorization standards of the reciprocity
- 10 agreement shall be comparable to or exceed the authorization
- 11 requirements of this chapter and any applicable administrative
- 12 rules.
- 13 § -16 Complaints; injunctive proceedings. (a) By
- 14 July 1, 2014, the commission shall establish procedures, without
- 15 regard to chapter 91, by which a student or former student of a
- 16 private college, university, seminary, or religious institution
- 17 may file a complaint with the department concerning the
- 18 institution in which the student is or was enrolled; provided
- 19 that if a former student files a complaint, the complaint must
- 20 be filed within two years after the former student discontinued
- 21 enrollment at the institution.

- 1 (b) The department may investigate complaints based on a
- 2 claim of a deceptive trade practice as described in subsection
- 3 (h).
- 4 (c) Nothing in this section shall give the commission or
- 5 department jurisdiction to consider complaints that infringe on
- 6 the academic or religious freedom of, or question the curriculum
- 7 content of, a private college, university, seminary, or
- 8 religious training institution.
- 9 (d) Upon receipt of a complaint, the department shall
- 10 verify that the complaint was properly filed under the
- 11 procedures established pursuant to subsection (a). The
- 12 complaint shall warrant investigation only after the student or
- 13 former student has exhausted all administrative remedies
- 14 available at the private college, university, seminary, or
- 15 religious institution; provided that if the complaint involves a
- 16 violation of state or federal criminal law, this requirement
- 17 shall not apply. If a complaint warrants investigation, the
- 18 department shall forward the complaint to the private college,
- 19 university, seminary, or religious training institution. The
- 20 private college, university, seminary, or religious training
- 21 institution shall have thirty days to respond in writing to the
- 22 complaint. During the thirty day period, the private college,

- 1 university, seminary, or religious training institution, with
- 2 the department's assistance, may attempt to resolve the
- 3 complaint with the student. If the department determines at any
- 4 time that the complaint no longer warrants investigation, the
- 5 department shall dismiss the complaint.
- 6 (e) If a complaint is not resolved within the thirty day
- 7 period, the department may:
- 8 (1) Dismiss the complaint based on the private college,
- 9 university, seminary, or religious training
- institution's response;
- 11 (2) Investigate the complaint further; or
- 12 (3) Refer the complaint to the commission for further
- action; provided that if the commission finds the
- 14 complaint to be meritorious, it may recommend that the
- private college, university, seminary, or religious
- training institution take appropriate action to remedy
- 17 the complaint.
- 18 (f) If the private college, university, seminary, or
- 19 religious training institution does not take the action
- 20 recommended by the commission, the commission may forward the
- 21 complaint and any of the commission's findings to the attorney
- 22 general.

1	(9)	The commission, acting through the attorney general,
2	may proce	ed by injunction against any violation of this chapter,
3	but an in	junction proceeding or an order issued therein or as a
4	result th	ereof shall not bar the imposition of any other penalty
5	for a vio	lation of this chapter.
6	(h)	It shall be a deceptive trade practice for a private
7	college,	university, seminary, or religious training institution
8	or its ag	ent to:
9	(1)	Make or cause to be made any statement or
10		representation, oral, written, or visual, in
11		connection with the offering of educational services
12		if the private college, university, seminary, or
13		religious training institution or its agent knows or
14		reasonably should have known the statement or
15		representation to be materially false, substantially
16		inaccurate, or materially misleading;
17	(2)	Falsely represent or deceptively conceal, directly or
18		by implication, through the use of a trade or business
19		name, the fact that the institution is a private
20		college, university, seminary, or religious training
21		institution;

1	(3)	Adopt a name, trade name, or trademark that represents
2		falsely, directly or by implication, the quality,
3		scope, nature, size, or integrity of the private
4		college, university, seminary, or religious training
5		institution or its educational services;
6	(4)	Intentionally and materially represent falsely,
7		directly or by implication, that students who
8		successfully complete a course or program of
9		instruction may transfer the credits earned to any
10		institution of higher education;
11	(5)	Intentionally and materially represent falsely,
12		directly or by implication, in its promotional
13		materials or in any other manner:
14		(A) Its size, location, facilities, or equipment;
15		(B) The number, educational experience, or
16		qualifications of its faculty;
17		(C) The extent or nature of any approval received
18		from any state agency; or
19		(D) The extent or nature of any accreditation
20		received from any accrediting agency, body, or
21		association;

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1	(6)	Provide prospective students with testimonials,
2		endorsements, or other information that has the
3		tendency to materially mislead or deceive prospective
4		students or the public regarding its current
5		practices;

- (7) To designate or refer to its sales representatives by titles that imply that the sale representatives have training in academic counseling or advising if they do not: and
- 10 (8) Represent, directly or by implication, that it is
 11 authorized by the State or approved or accredited by
 12 an accrediting agency or body when it has not been
 13 authorized, approved, or accredited.
- 14 Any private college, university, seminary, or 15 religious training institution or its agent that violates 16 subsection (h) shall be fined a sum of not less than \$500 nor 17 more than \$10,000 for each violation, which sum shall be 18 collected in a civil action brought by the attorney general or 19 the department on behalf of the State. The penalties provided 20 in this subsection are cumulative to the remedies or penalties 21 available under all other laws of this State. Each day that a

- 1 violation of subsection (h) occurs shall be a separate
- 2 violation.
- 3 § -17 Fees; public hearing. (a) An educational
- 4 institution shall pay \$ to the department for
- 5 authorization under this chapter; provided that the commission
- 6 may change the amount of the fees required by this section at
- 7 any time without regard to chapter 91, if the commission:
- 8 (1) Holds at least one public hearing to discuss and take
- 9 testimony on the changing of the fees; and
- 10 (2) Provides public notice at least thirty days prior to
- the date of the public hearing.
- 12 (b) Fees collected pursuant to this section shall be
- 13 deposited into the post-secondary education authorization
- 14 subaccount established pursuant to section 26-9(o).
- 15 § -18 Post-secondary education authorization special
- 16 subaccount. (a) All moneys collected pursuant to section
- 17 -16 shall be deposited into the post-secondary education
- 18 authorization subaccount of the compliance resolution fund
- 19 established pursuant to section 26-9(o).
- (b) Any law to the contrary notwithstanding, the moneys in
- 21 the subaccount shall be used to fund the operations of the
- 22 department in carrying out its duties under this chapter. Any

- 1 law to the contrary notwithstanding, the director may use the
- 2 moneys in the subaccount to employ, in accordance with chapter
- 3 76, personnel to carry out the department's duties under this
- 4 chapter. The moneys in the subaccount may be used to train
- 5 personnel as the director deems necessary and for any other
- 6 activity related to this chapter.
- 7 § -19 Rules. The commission may adopt rules pursuant to
- 8 chapter 91 to carry out the purposes of this chapter."
- 9 SECTION 3. Section 26-9, Hawaii Revised Statutes, is
- 10 amended by amending subsection (o) to read as follows:
- "(o) Every person licensed under any chapter within the
- 12 jurisdiction of the department of commerce and consumer affairs
- 13 and every person licensed subject to chapter 485A or registered
- 14 under chapter 467B shall pay upon issuance of a license, permit,
- 15 certificate, or registration a fee and a subsequent annual fee
- 16 to be determined by the director and adjusted from time to time
- 17 to ensure that the proceeds, together with all other fines,
- 18 income, and penalties collected under this section, do not
- 19 surpass the annual operating costs of conducting compliance
- 20 resolution activities required under this section. The fees may
- 21 be collected biennially or pursuant to rules adopted under
- 22 chapter 91, and shall be deposited into the special fund



- 1 established under this subsection. Every filing pursuant to
- 2 chapter 514E or section 485A-202(a)(26) shall be assessed, upon
- 3 initial filing and at each renewal period in which a renewal is
- 4 required, a fee that shall be prescribed by rules adopted under
- 5 chapter 91, and that shall be deposited into the special fund
- 6 established under this subsection. Any unpaid fee shall be paid
- 7 by the licensed person, upon application for renewal,
- 8 restoration, reactivation, or reinstatement of a license, and by
- 9 the person responsible for the renewal, restoration,
- 10 reactivation, or reinstatement of a license, upon the
- 11 application for renewal, restoration, reactivation, or
- 12 reinstatement of the license. If the fees are not paid, the
- 13 director may deny renewal, restoration, reactivation, or
- 14 reinstatement of the license. The director may establish,
- 15 increase, decrease, or repeal the fees when necessary pursuant
- 16 to rules adopted under chapter 91. The director may also
- 17 increase or decrease the fees pursuant to section 92-28.
- 18 There is created in the state treasury a special fund to be
- 19 known as the compliance resolution fund to be expended by the
- 20 director's designated representatives as provided by this
- 21 subsection. Notwithstanding any law to the contrary, all
- 22 revenues, fees, and fines collected by the department shall be



- 1 deposited into the compliance resolution fund. Unencumbered
- 2 balances existing on June 30, 1999, in the cable television fund
- 3 under chapter 440G, the division of consumer advocacy fund under
- 4 chapter 269, the financial institution examiners' revolving
- 5 fund, section 412:2-109, the special handling fund, section
- 6 414-13, and unencumbered balances existing on June 30, 2002, in
- 7 the insurance regulation fund, section 431:2-215, shall be
- 8 deposited into the compliance resolution fund. This provision
- 9 shall not apply to the drivers education fund underwriters fee,
- 10 sections 431:10C-115 and 431:10G-107, insurance premium taxes
- 11 and revenues, revenues of the workers' compensation special
- 12 compensation fund, section 386-151, the captive insurance
- 13 administrative fund, section 431:19-101.8, the insurance
- 14 commissioner's education and training fund, section 431:2-214,
- 15 the medical malpractice patients' compensation fund as
- 16 administered under section 5 of Act 232, Session Laws of Hawaii
- 17 1984, and fees collected for deposit in the office of consumer
- 18 protection restitution fund, section 487-14, the real estate
- 19 appraisers fund, section 466K-1, the real estate recovery fund,
- 20 section 467-16, the real estate education fund, section 467-19,
- 21 the contractors recovery fund, section 444-26, the contractors
- 22 education fund, section 444-29, the condominium education trust



S.B. NO. 46

- 1 fund, section 514B-71, and the mortgage foreclosure dispute
- 2 resolution special fund, section 667-86. Any law to the
- 3 contrary notwithstanding, the director may use the moneys in the
- 4 fund to employ, without regard to chapter 76, hearings officers
- 5 and attorneys. All other employees may be employed in
- 6 accordance with chapter 76. Any law to the contrary
- 7 notwithstanding, the moneys in the fund shall be used to fund
- 8 the operations of the department. The moneys in the fund may be
- 9 used to train personnel as the director deems necessary and for
- 10 any other activity related to compliance resolution.
- 11 A separate subaccount of the compliance resolution fund
- 12 shall be established for fees collected by the state post-
- 13 secondary education commission established pursuant to section
- 14 -3, which shall be called the post-secondary education
- 15 authorization subaccount. The subaccount shall be governed by
- 16 section -18.
- 17 As used in this subsection, unless otherwise required by
- 18 the context, "compliance resolution" means a determination of
- 19 whether:
- 20 (1) Any licensee or applicant under any chapter subject to
- 21 the jurisdiction of the department of commerce and consumer
- 22 affairs has complied with that chapter;



S.B. NO. 46

- 1 (2) Any person subject to chapter 485A has complied with
- 2 that chapter;
- 3 (3) Any person submitting any filing required by chapter
- 4 514E or section 485A-202(a)(26) has complied with chapter 514E
- 5 or section 485A-202(a)(26);
- 6 (4) Any person has complied with the prohibitions against
- 7 unfair and deceptive acts or practices in trade or commerce; or
- **8** (5) Any person subject to chapter 467B has complied with
- 9 that chapter;
- 10 and includes work involved in or supporting the above functions,
- 11 licensing, or registration of individuals or companies regulated
- 12 by the department, consumer protection, and other activities of
- 13 the department.
- 14 The director shall prepare and submit an annual report to
- 15 the governor and the legislature on the use of the compliance
- 16 resolution fund. The report shall describe expenditures made
- 17 from the fund including non-payroll operating expenses."
- 18 SECTION 4. Section 446E-1.5, Hawaii Revised Statutes, is
- 19 amended to read as follows:
- 20 "\$446E-1.5 Advisory board. The state post-secondary
- 21 education commission, as established by chapter [304A, part VII,

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subpart C, ] , shall serve as a resource to the director as
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    needed regarding the requirements of this chapter."
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         SECTION 5. Section 304A-3151, Hawaii Revised Statutes, is
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    repealed.
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5
         ["[$304A-3151] Establishment of the state post-secondary
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    education commission; membership, administration. There is
7
    established a state post-secondary education commission. The
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    commission shall consist of the members of the board of regents
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    of the university, the provisions of section 78-4
    notwithstanding, and four other members who shall be broadly and
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11
    equitably representative of the general public and public and
    private nonprofit and proprietary institutions of post-secondary
12
    education in the State and who shall be appointed in accordance
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14
    with section 26-34. The commission shall be placed within the
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    university for administrative purposes, and its administrative
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    officer shall be the president of the university. The
17
    commission may appoint necessary staff members in accordance
    with applicable policies and procedures of the university."]
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         SECTION 6. Section 304A-3152, Hawaii Revised Statutes, is
20
    repealed.
21
         ["[$304A-3152] Commission's powers and authority. (a)
22
    The commission may cooperate with the federal government to
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- 1 qualify the State to receive funds made available under the 2 Higher Education Act of 1965, Public Law 89-329, as amended from 3 time to time, and in addition may serve as the state agency for 4 the receipt of federal funds when federal legislation dealing 5 with higher education or post secondary education requires, as a 6 condition of state receipt of such funds, the designation of a 7 state agency that is broadly representative of the general 8 public and of post secondary education in the State and when 9 agencies other than the commission created by this subpart may 10 not qualify. The commission shall adopt appropriate rules not 11 inconsistent with this subpart as may be required to administer 12 this subpart. The rules shall be adopted in accordance with 13 chapter 91. 14 (b) No funds appropriated by the legislature may be used 15 to aid a person attending an institution not owned or 16 exclusively controlled by the State or a department of the State 17 or to pay for any staff work distributing federal or private 18 funds to students attending such schools. The maximum amount of 19 any grant awarded under the Hawaii state incentive grant program 20 shall be equal to the maximum allowed by federal law."] 21 SECTION 7. Section 304A-3153, Hawaii Revised Statutes, is 22 repealed.
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         ["[$304A-3153] Procedures for complaints concerning
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    institutions of higher education. In consultation with
3
    institutions of higher education in the State, the commission is
 4
    authorized to establish and administer procedures for receiving
 5
    and responding to complaints from students, faculty, staff, and
6
    others concerning institutions of higher education in the
 7
    State."]
8
         SECTION 8. Section 304A-3154, Hawaii Revised Statutes, is
9
    repealed.
10
         ["[$304A-3154] Cooperation with other state agencies. The
11
    commission may be assisted by other state agencies, including
12
    but not limited to the university, the department of education,
13
    and the department of commerce and consumer affairs."]
14
         SECTION 9. There is appropriated out of the general
15
    revenues of the State of Hawaii the sum of $
                                                            or so
16
    much thereof as may be necessary for fiscal year 2013-2014 and
17
    the same sum or so much thereof as may be necessary for fiscal
18
    year 2014-2015 to be paid into the post-secondary education
19
    authorization subaccount of the compliance resolution fund
20
    established pursuant to section 26-9(o), Hawaii Revised
21
    Statutes.
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- 1 The sums appropriated shall be expended by the department 2 of commerce and consumer affairs for the purposes of this Act. 3 SECTION 10. There is appropriated out of the post-4 secondary education authorization subaccount of the compliance 5 resolution fund established pursuant to section 26-9(o), Hawaii 6 Revised Statutes, the sum of \$ or so much thereof as 7 may be necessary for fiscal year 2013-2014 and the same sum or 8 so much thereof as may be necessary for fiscal year 2014-2015 9 for four full-time equivalent (4.0 FTE) permanent positions at 10 the department of commerce and consumer affairs to implement the 11 provisions of this Act. 12 The sums appropriated shall be expended by the department 13 of commerce and consumer affairs for the purposes of this Act. 14 SECTION 11. If any provision of this Act, or the 15 application thereof to any person or circumstance, is held 16 invalid, the invalidity does not affect other provisions or 17 applications of the Act that can be given effect without the 18 invalid provision or application, and to this end the provisions 19 of this Act are severable. 20 SECTION 12. Statutory material to be repealed is bracketed 21 and stricken. New statutory material is underscored.
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- 1 SECTION 13. This Act shall take effect upon its approval;
- 2 provided that sections 9 and 10 shall take effect on July 1,

3 2013.

4

INTRODUCED BY:

Report Title:

Post-Secondary Education; Department of Commerce and Consumer Affairs; Appropriation

Description:

Establishes the post-secondary education commission within the department of commerce and consumer affairs. Creates the framework for authorizing private post-secondary educational institutions in the State. Repeals sections 304A-3151, 304A-3152, 304A-3153, and 304A-3154, relating to the establishment of the post-secondary education commission within the University of Hawaii. Creates the post-secondary education authorization subaccount of the compliance resolution fund established pursuant to section 26-9(o), Hawaii Revised Statutes. Makes an appropriation for four full-time equivalent (4.0 FTE) permanent positions at the department of commerce and consumer affairs.

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.